DOCUMENT RESUME

ED 445 188 CE 080 630

AUTHOR Freeland, Brett
TITLE Demands of Training: Australian Tourism and Hospitality.
INSTITUTION National Centre for Vocational Education Research, Leabrook (Australia).
ISBN ISBN-0-87397-623-1
PUB DATE 2000-00-00
NOTE 20p.
AVAILABLE FROM National Centre for Vocational Education Research, 252 Kensington Road, Leabrook, South Australia 5068, Australia; Tel: 08 8333 8400, Fax: 08 8331 9211, E-mail: vet_req@ncver.edu.au; Web site: http://www.ncver.edu.au (ISBN: 0-87397-609-6 (print) $9.90 Australian). For full text: http://www.ncver.edu.au/cgi-bin/gda.pl?id=1618/research/core/cp9813.pdf.
PUB TYPE Reports - Descriptive (141)
EDRS PRICE EDRS Price MF01 Plus Postage. PC Not Available from EDRS.
DESCRIPTORS Adult Education; Developed Nations; Disadvantaged; Education Work Relationship; Educational Needs; Educational Research; *Employment Qualifications; Foreign Countries; *Hospitality Occupations; *Individual Characteristics; Job Skills; *Job Training; Outcomes of Education; Postsecondary Education; Qualitative Research; School Business Relationship; Secondary Education; *Tourism; Unemployment; *Vocational Education
IDENTIFIERS *Australia; Australia (Queensland); Australia (South Australia); Australia (Victoria)

ABSTRACT

Qualitative research was conducted as part of a four-industry project studying operation of training markets, one of which was Australian tourism and hospitality (T&H). Semi-structured interviews were conducted with 23 individuals representing stakeholder groups. Interviews were conducted across Queensland, Victoria, and South Australia and discussed 3 levels of training: entry, vocational education and training (VET) for workers, and VET for unemployed and disadvantaged. Findings were that policymakers and stakeholders generally believe increased training will lead to increased profitability for the T&H industry; T&H enterprises do not greatly value formal training acquired by individuals prior to employment; enterprises go to considerable effort to ensure that persons they employ have the necessary personal attributes to contribute to success of the enterprise; and the extent and type of training conducted by enterprises within the T&H industry has shifted. The study concluded the characteristics of the enterprise contribute to variation in skill requirements and training methods; prevocational training and attainment of qualifications are important for only some sections of the T&H industry; personal skills and attributes are more important than technical skills for people wanting to enter the T&H workforce; and flexible training arrangements are required if the T&H industry and enterprises are to continue to develop. (Contains 13 references.) (YLB)

Reproductions supplied by EDRS are the best that can be made
from the original document.

ED 445 188

Demands of training: Australian tourism and hospitality

Brett Freeland

PERMISSION TO REPRODUCE AND DISSEMINATE THIS MATERIAL IN MICROFICHE ONLY HAS BEEN GRANTED BY

S Heyman

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

2B

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

X This document has been reproduced as received from the person or organization originating it.

☐ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

BEST COPY AVAILABLE

CE 080 630

© 2000 National Centre for Vocational Education Research Ltd
ABN 87 007 967 311

ISBN 0 87397 609 6 print edition
0 87397 623 1 web edition
TD/TNC 62 04

Published by
NCVER Ltd
252 Kensington Road, Leabrook, SA 5068
PO Box 115, Kensington Park, SA 5068, Australia
www.ncver.edu.au

Contents

Executive summary v

Background 1

Aim 1

Demand-driven training 1

Profile of tourism and hospitality 2

The research 5

Methodology 5

Findings 5

Creating an effective training market 8

Conclusions and implications 10

Are qualifications necessary? 10

Specific skills or general training 10

A different role for tourism and hospitality training 11

Implications for training provision 12

Final word 14

References 15

Executive summary

The tourism and hospitality industry is an important industry to Australia. In 1995–96 the industry employed more than 694 000 Australians, nearly 8.4 per cent of the Australian workforce. It provides employment and opportunities for development throughout Australia's metropolitan and regional centres. This report examines key issues regarding the training of those Australians employed in the tourism and hospitality industry.

An efficient demand-driven training system relies on the accurate analysis of industry and enterprise needs, and the subsequent communication of these needs to training providers and the community. The system has many benefits, including the enhanced employability of persons completing training, the facilitation of enterprise recruitment processes resulting from the increased availability of appropriately trained staff, and the development of more responsive and creative training providers. These benefits are, in turn, passed on to the tourism and hospitality industry.

The key findings from the study were:

- Policy-makers and stakeholders generally believe that increased training will lead to increased profitability for the tourism and hospitality industry. However, there are still sections of the industry which are not directly committed to maintaining or upgrading the skill levels of workers.
- Tourism and hospitality enterprises do not greatly value formal training acquired by individuals prior to their employment in the industry. The number of persons employed in the industry with formal educational qualifications is relatively low by comparison to other industries. Tourism and hospitality enterprises value training for its direct application to the operation of the enterprise.
- Enterprises go to considerable effort to ensure that the persons they employ have the necessary personal attributes to contribute to the success of the enterprise. Employers are more interested in recruiting people who are willing to work the hours required in the industry than those with current skills. Consequently, most training provided by the enterprises is on the job and informal, to provide enterprise and location-specific skills.
- There has been a shift in the extent and type of training conducted by enterprises within the tourism and hospitality industry. While the total training effort has increased, there remains a significant waste of resources and effort, principally in the development of skills that the industry claims that it does not require.

The study concludes that the characteristics of the enterprise—the range of occupations, scale of the enterprise, and its location—all contribute to the variation in skill requirements and suitable training methods. Pre-vocational training and the attainment of qualifications are only important for some sections of the tourism and hospitality industry; personal skills and personal attributes are more important than technical skills for people wanting to enter the tourism and hospitality workforce. Flexible training arrangements available in a demand-driven training market are required if the tourism and hospitality industry and enterprises within it are to continue to develop.

Background

The development of an appropriately skilled workforce is essential to ensure that Australia's economy sustains high output and maintains production standards. The provision of appropriate skills is especially important to an industry such as tourism and hospitality, which is characterised by labour-intensive production methods. The continued success of this 'people-oriented' industry is dependent upon friendly, efficient service and satisfied clients. Employees in the tourism and hospitality industry generally experience increased productivity as they learn on the job and gain experience.

Aim

The aim of this report is to aid the development of skills and job opportunities emerging in Australia's tourism and hospitality industry by providing enterprises, planners and training providers with information concerning, and insights into, the training and skill acquisition operations of the industry.

Demand-driven training

The training market—otherwise referred to as the vocational education and training (VET) market—provides individuals with the skills and knowledge required by enterprises in various industries. The Australian National Training Authority (ANTA) outlined two principal objectives of Australia's VET market:

> *... provide an educated, skilled and flexible workforce to enable Australian industry to be competitive in domestic and international markets.*
>
> *... improving the knowledge, skills and quality of life for Australians, having regard to the particular needs of disadvantaged groups* (ANTA 1994).

The concept of a market implies that products or services are traded. Robinson (1998) suggests that there are two principal products from the VET market which can be traded. These are the skills and competencies gained by individuals which make them more competitive in the labour market and more efficient producers in their current jobs, and those required to improve the 'bottom line' of enterprises. Both the VET market and the research undertaken to evaluate its operation tend to focus on the acquisition of formal qualifications. However, it should be noted that products of the VET market, namely skills and competencies, may be acquired via informal routes such as on-the-job training.

In the report *The Australian vocational certificate training system*, Carmichael (1992) highlighted the need for Australia's VET market to be responsive to industry and enterprise needs. The report argued that the VET market should receive support from government, including funding for training providers and for those wishing to purchase training. Carmichael believed that a successful VET system requires training providers and enterprises to remain well-informed of developments in the market.

Competition between training providers was introduced and promoted following the acceptance of the Carmichael report as a guiding document in the development of Australia's VET markets. Competition was accepted because it promoted interaction between enterprises, individuals and training providers. A market with interactive stakeholders is more likely to be responsive to their particular needs.

Benefits claimed as likely to emerge from the development of a 'demand-driven' VET market include:

- enhanced employability of persons completing training

- facilitation of recruitment processes for enterprises resulting from increased availability of appropriately trained staff
- incentives for employees to acquire more skills
- more responsive and efficient training providers
- more effective and readily accessible school-to-work transition pathways

The benefits have been promoted to be extensive and far-reaching and able to provide a solid foundation for the introduction of 'demand-driven' policies. Sloan and Wooden (1994) recognised that ultimately enterprises are in the best position to determine how much training is required. To ignore the expertise or preferences of enterprises in making training decisions may result in an over-supply of highly skilled workers who are unable to find employment—or at least spend increasingly long periods unemployed—or who are employed in jobs offering little challenge and low levels of satisfaction.

Profile of tourism and hospitality

The World Tourism Organisation (WTO) defines tourism as being 'the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes' (WTO 1994, p.8).

The tourism and hospitality industry is recognised as being one of the world's fastest growing industries, with the potential to create considerable employment opportunities in future years. This claim is equally true for Australia. Murphy and Douglas (1998) forecast that between 1998 and 2001 employment in accommodation, cafés and restaurants would grow at an annual average rate of 5.5 per cent. This anticipated growth would result in the creation of an additional 70 000 jobs in the industry during this period.

Other employment forecasts include a 1998 Office of National Tourism report which anticipated that, in the five years to 2003, the tourism and hospitality industry would directly generate an additional 160 000 jobs. This forecast expects employment in this industry to expand at an average rate of 2.6 per cent per annum. Hutchinson (1997, p.164) noted a forecast which predicted that between 1995 and 2005, the tourism and hospitality industry would create up to 200 000 jobs. Such an expansion would result in an average annual growth rate for tourism and hospitality employment of 2.9 per cent.

Regardless of the methodology used to forecast changes, there is consensus that the tourism and hospitality industry will provide many new employment opportunities in the coming years. The actual size of the increase in employment remains open to debate.

There are close to 30 000 enterprises operating in the tourism and hospitality industry, most of which are small in size. The Department of Industry, Science and Tourism (DIST) estimates that 80 per cent of all enterprises in the tourism and hospitality industry employ 20 persons or less.

Tourism and hospitality labour market

The tourism and hospitality industry labour market is characterised by many employers and significant numbers of people employed or seeking employment. Apart from normal skill requirements, there are no 'barriers' to entry for individuals seeking employment. Generally speaking the labour market is competitive, although some employment is constrained by requirements of industrial regulations; for example, bar attendants, licensed club attendants and travel agents who require formal qualifications.

Estimates of the numbers of people employed in the tourism and hospitality industry vary considerably. The Office of National Tourism (ONT 1998) reported that in 1995–96 the tourism industry employed approximately 694 000 people or nearly 8.4 per cent of the Australian workforce. The Australian Bureau of Statistics (ABS 1997) estimated more than 470 000 persons

were employed in accommodation, cafés and restaurants alone. This number accounted for approximately 4.7 per cent of the total employment in Australia. The figures did not include persons employed in associated industries (for example coach drivers) who were employed as part of tourism and hospitality activities. The diversity of occupations and enterprises involved in this industry makes calculating exact numbers of employees difficult.

Table 1 presents data showing the growth in tourism and hospitality employment between 1987 and 1996. An additional 114 800 jobs were established in the industry over this period. This table also shows that the tourism and hospitality workforce actually comprises a series of occupational sub-markets and it indicates the extent of employment in each of these. Waiters and waitresses, other occupations, cooks and bar attendants comprise the majority of employees in the industry. In 1996 these occupations provided 219 000 jobs in the tourism and hospitality industry.

Table 1: Employed persons by occupation in accommodation, cafés and restaurants industry, 1987 and 1996 ('000s)

Occupation	1987	1996	Annual average change
Waiters and waitresses	44.2	71.1	5.6
Other occupations	37.9	55.1	4.4
Cooks	31.2	47.5	4.9
Bar attendants	34.9	45.3	3.0
Kitchenhands	23.5	35.3	4.8
Cleaners	23.3	29.0	2.5
Accommodation and tavern managing supervisors	19.7	26.3	3.4
Restaurant and catering managing supervisors	15.1	18.4	2.3
Sales assistants	9.2	15.5	6.1
Receptionists and information clerks	7.0	10.3	4.5
Accounting clerks	4.4	7.3	6.0
Other managing supervisors (sales and service)	3.7	6.4	6.5
Other labourers and related workers	2.8	4.2	4.7
Total all occupations	**256.9**	**371.7**	**4.3**

Source: NCVER 1998, *Accommodation, cafés and restaurants, industry training monograph*, NCVER, Adelaide.

Characteristics of the tourism and hospitality workforce

Tourism and hospitality entails a diverse range of occupations, ranging from the highly skilled (for example, sous chefs) to the very basic (for example, cleaners). The type of staff and skills required can vary dramatically between enterprises.

The tourism and hospitality workforce:

- is, on average, a young workforce with relatively low levels of formal qualifications
- is characterised by female, part-time and casual employment
- has a high proportion of low-skilled jobs
- has a relatively high proportion of hours worked outside normal business hours
- is mobile with high levels of staff turnover

Given the number of low-skill jobs in the tourism and hospitality industry, women, students and others seeking part-time employment tend to dominate the workforce.

Many enterprises in the tourism and hospitality industry operate as seven-day-a-week, 24-hour-a-day facilities. Those enterprises where a high proportion of hours are worked outside normal business hours require considerable flexibility in the work arrangements of their employees to

ensure they are capable of meeting the demands of their clients. The flexibility required includes variation in the hours of work and in the principal tasks performed by employees.

It can be argued that the high level of low-skilled, part-time and casual positions combined with the high level of labour mobility reflects a workforce with poor job security, few career prospects, and one where training is unlikely to take place. Despite this perhaps negative perception of the positions available in the tourism and hospitality industry, many do provide entry-level jobs and workforce experience to people otherwise at risk of being unemployed.

Training for tourism and hospitality

Employer demands for skilled workers establish the need for training which, in turn, develops demand for VET. Employers commonly organise and purchase VET on behalf of their employees. In 1996 the ABS measured the total value of employer investments in formal training alone to be equal to $1178 million (ABS 1997). The value of resources devoted to informal or on-the-job training is likely to add significantly to this investment. Demand for VET also comes from two other sources: individuals seeking to increase their likelihood of securing employment; and governments seeking to fulfil social obligations related to access and equity considerations.

Tourism and hospitality industry training focusses on skills and knowledge to promote and increase employees' understanding and expertise of both the enterprise and the industry. Improved staff skills developed through training have the potential to increase the competitive advantage of enterprises, to increase productivity and to raise levels of customer satisfaction. Skills training and development can lead to additional business through word-of-mouth advertising and increased amounts of repeat business.

Universities, public training providers (TAFE), private training colleges, schools and enterprises (through on-the-job training) provide training for the tourism and hospitality industry. Some product suppliers also provide training to enterprises involved in the industry.

Methodology

The conclusions in this report draw on qualitative research conducted as part of a larger four-industry project considering the operation of training markets (Freeland 1999).

Semi-structured interviews were conducted with 23 individuals representing three key stakeholder groups—*industry training advisory bodies* (ITABs), *training providers* (public and private), and *enterprises*. Research undertaken by the Allen Consulting Group (1994) suggests that the needs of industry and individuals are converging. Based on this assumption, it could be anticipated that the results and conclusions presented for enterprises throughout this report also apply to individuals. Some additional comments regarding the findings and their implications for individuals are included in the report.

Interviews were conducted across three States—Queensland, Victoria and South Australia. Interviews included discussion of three levels of training:

- entry-level training including basic vocational skills
- VET and professional development for existing workers
- VET opportunities for the unemployed and the 'disadvantaged'

This report considers the confusion surrounding the training market, its operation and how stakeholders perceive it. Topics discussed in the interviews included:

- issues relating to 'user choice' developments
- planning information
- purpose and priorities for training
- strategies and procedures for training
- perception of the training 'market'
- barriers and impediments to training provision

This report draws on stakeholder perceptions obtained during the interviews. These perceptions are not intended to identify specific individuals or stakeholder groups but to serve as examples of reactions to the various issues covered.

All stakeholders interviewed in the study recognised that the specification of training needs is crucial in developing a demand-driven training market. The principal source of information for the specification of market demand derives from the enterprises which must accurately define the appropriate skills and abilities expected of their staff. It is only after these skills and abilities required by enterprises have been clearly defined that an efficient and effective VET market will develop.

Findings

Industry stakeholders, including ITABs and government, have generally believed that the skill levels of people employed in the tourism and hospitality industry are inadequate to ensure its continued success. This view is reflected in the following statement by the Department for Industry, Science and Tourism (1998): 'The Government will continue to promote within the education system the value of key tourism skills and awareness of career opportunities within the industry'.

Furthermore, it has been concluded that efforts should be made to upgrade the skills of persons employed in the industry. The importance of informal, on-the-job training for the tourism and hospitality industry should not be understated; the low-skill requirements of many jobs mean informal training is unlikely ever to be replaced by formal training for many occupations.

STAKEHOLDER PERCEPTIONS:

> *The* [enterprise] *does not purposefully recruit people who already possess the required skills—it is easier to train people to acquire the necessary practical skills than to try and teach them an attitude.*
>
> *The ongoing acquisition of skills by employees is of vital importance for them to be able to maintain job performance.*
>
> *The acquisition of skills, both at entry level and on an ongoing basis, are of critical importance.*

Upgrading employees' skill levels is seen as one way of developing the tourism and hospitality industry. However, such training may only be required for some sections of the industry, particularly those where government regulations have an impact on the required skills (for example liquor licensing and gaming).

Enterprises in the tourism and hospitality industry have facilities such as commercial kitchens and gaming rooms which are suitable locations for training and skill development. Thus, the physical requirements for training are readily accessible to most enterprises.

STAKEHOLDER PERCEPTIONS:

> *On-the-job training is the most dominant form of training in the industry.*
>
> *Around 99 per cent of training undertaken by staff is in-house.*
>
> *While much of formal training in hospitality would be accredited, over 50 per cent of the training in this industry would be acquired informally on the job.*
>
> *A number of larger establishments are developing their own traineeship programs and even looking at setting up their own training colleges.*
>
> *In-house training is preferred over externally provided training as it provides the employees specifically with what they need in the enterprise.*

If providers do not maintain the quality of the training they offer, it is probable that on-the-job 'informal' training will increasingly become the dominant form for efficiency-focussed enterprises. For those enterprises who utilise external providers, guidelines designed to provide efficient and effective outcomes from training are presented in table 2.

Extent of training for tourism and hospitality

Enterprises put significant effort into training staff and developing their personal attributes in order to make the tourism and hospitality industry a success. The majority of training is informal and on the job, although formal, off-the-job training contributes to the development of the industry skills base. The specificity of the skills demanded by enterprises is contributing to the effective creation of a demand-driven training market.

Most formal training is provided by technical and further education (TAFE) colleges. Training providers other than TAFE—private training colleges, product suppliers and industry organisations—are capturing an increasing share of the formal training market for the tourism and hospitality industry as they become more responsive to the demands and unique characteristics of enterprises. The amount of total training in the industry is increasing.

STAKEHOLDER PERCEPTIONS:

> *There has been an increase in the level of training in the industry due to a number of things, mainly increased competition and changing market needs.*
>
> *The level of training in the industry has increased to a large extent with time. There are now many training companies and training avenues that have been put on the market. Greater competition, flatter management structures and multi-skilling have all played a part in this increase.*

It is recognised that the levels of training provision for the tourism and hospitality industry have increased. However, dominant employment conditions in the industry—casual and part time—may, among other things, act to restrict the willingness of enterprises to invest in training their employees.

STAKEHOLDER PERCEPTIONS:

> *The casual nature of the labour force in this industry is sometimes an impediment to the provision of required training…employers can't afford to invest large amounts of expensive training to casual staff who may leave the organisation shortly after having received the training.*
>
> *…making the industry aware of what it has to offer…is a constant challenge due to the high* [staff] *turnover in the industry.*

Despite the relatively small numbers enrolled—especially by comparison to TAFE which continues to be the dominant provider of formal skills training to the industry—the number of university-run courses designed for the tourism and hospitality industry has expanded significantly in recent years. University courses, which have been developed at the diploma and degree levels, are principally designed to provide skills required for people employed at a managerial level.

STAKEHOLDER PERCEPTIONS:

> *The level of training in the industry has increased to a large extent with time. There are now so many training companies and new training avenues that have been put on the market. Greater competition, flatter management structures and multi-skilling have all played a part in this increase.*
>
> *Over the last decade, there has been strong growth in the provision of formal training in the hospitality sector, mostly as a result of growth in the sector itself.*

Value of training

Enterprises have mixed perceptions regarding the value of training provided in the market. With the exception of some training provided by TAFE, enterprises do not value the training obtained by individuals prior to being employed. In enterprises where regulations (for example, liquor licensing) are not applicable, informal, on-the-job training is highly valued as a method for enterprise-specific development. The value of training in the tourism and hospitality industry is related directly to the application of the skills and knowledge in the workplace. Enterprises believe that characteristics such as flexibility, people skills, and a strong work ethic cannot be developed through formal training, but are part of the individual's personality.

Tourism and hospitality stakeholders see training as an economic good. That is, training is perceived to have potential benefits which are realised through the profits of businesses. This perception is based on the belief that price or commercial viability is the rationale for training-related decisions.

STAKEHOLDER PERCEPTIONS:

> *Money is the main constraint on how much training is provided.*
>
> *Apart from cost, the general constraints on the amount of training provided are the level of skill and time constraints of the trainers.*

On average, persons employed in the tourism and hospitality industry have relatively low levels of formal education. As noted previously, for those with formal training it is predominantly that provided by TAFE which is valued by enterprises. Pre-employment formal training from private providers, although recognised as being valuable, is not held in high esteem by many enterprises.

STAKEHOLDER PERCEPTIONS:

> *Of those with prior training experience, the* [enterprise] *only employs those from TAFE, it doesn't employ those from private provider courses.*
>
> *Existing skills* [for employees] *do not play a large role in recruitment unless the position involves high levels of expertise.*

With some exceptions (for example, chefs) there is no history of a formal training culture in the tourism and hospitality industry. Many enterprises, especially small and medium-sized ones, do not value the formal certified education of their employees. Instead, enterprises in the industry tend to favour informal, non-certified training which is often undertaken on the job. Because on-the-job training is the dominant method of skill acquisition for the industry, the level of certified skills developed by employees has been relatively low and often enterprise specific. The emphasis on skills gained on the job is highlighted by figures from the ABS (1997). These demonstrate that enterprises in the tourism and hospitality industry, by comparison with other industries, spend relatively little on training as a proportion of their total wages and salaries.

It is apparent that people with formal qualifications who are employed in the tourism and hospitality industry receive a smaller wage premium than those with equivalent qualifications employed in other industries. Lower wage premiums secured by employees in the tourism and hospitality industry may, however, be a result of an oversupply of inappropriate qualifications. The lower qualifications' premium may also be a reflection of the quality of the training.

STAKEHOLDER PERCEPTIONS:

> *Industry demands for skills in hospitality was at the basic end of the skills-spectrum while students demand high-level skill training courses.*
>
> *Greater competition in the training market has become more of a price war than a quality war—some providers are cutting corners and offering less quality in order to be able to offer courses at a lower price.*

Creating an effective training market

There has been an important shift in the type and extent of training conducted in the tourism and hospitality industry. As yet, there is not an effective training market, since there is significant wastage of resources allocated to skill development not required by the industry. Thus, some training is determined by providers rather than the needs of enterprises.

STAKEHOLDER PERCEPTIONS:

> *The training market needs to consider more what employers and the industry wants.*
>
> *We are wondering whether most of our customers now want a vocational qualification such as a certificate.*

There is a lot of time and effort put into teaching skills that industry doesn't need and that industry's clients don't want—this time should be spent teaching more essentially required skills in the industry.

Such a perception poses some difficulties, particularly in cases where enterprises value an individual's personal attributes above the actual skills or qualifications the individual possesses.

Once the skills and abilities required have been defined, it is essential that effective communication occurs between stakeholders. Despite ITABs having a strong sense of the importance of training, enterprises—especially small ones—consider they have little influence over, or input into, the industry training plans developed annually. Greater effort is required by the ITABs responsible for compiling these plans to involve small and medium-sized enterprises in their development. While small and medium-sized enterprises believe they are not given the opportunity to contribute to the training plans, the ITABs have a different outlook.

STAKEHOLDER PERCEPTIONS:

Information is regularly received from a large range of sources on the different training development options available.

There is relatively little direct involvement with the ITAB, formal contact with external trainers is extremely limited.

The ITAB is constantly making the industry aware of what it has to offer—this is a constant challenge due to the high [staff] *turnover in the industry.*

Conclusions and implications

While the tourism and hospitality industry continues to maintain its leading role in the development and implementation of training practices, there has emerged no single method or answer that guarantees best results from the training market for each of the stakeholders. The characteristics of enterprises—the range of occupations, scale of the enterprise and its location—determine the most suitable training and skill development strategies. Ongoing development of relationships and understanding between key stakeholders through negotiation and communication will ensure that training becomes increasingly more efficient and effective.

Are qualifications necessary?

A number of specific education and training programs can improve people's chances of securing employment in the tourism and hospitality industry. Certain occupations, such as chefs, require the completion of formal training before one can gain employment in the occupation. Some skills and competencies provided by TAFE were thought to be too general; however, enterprises indicated that they were more likely to recognise TAFE qualifications than those from accredited private providers. Consequently, it would be in an individual's best interest, if undertaking self-funded training before entering the tourism and hospitality workforce, to undertake this training through TAFE.

It may be an inherent characteristic of the tourism and hospitality industry that the majority of employment opportunities require only low levels of skills and no formal qualifications. If this is the case, the implication is that resources are wasted if many people employed in the industry are encouraged to complete formal training and those wishing to gain employment believe they require formal qualifications. However, if the productivity of those employed in the industry who obtain formal qualifications increases—resulting from better service or a more 'flexible' workforce—then enterprises should reward the additional productivity through higher wages.

Enterprises seek people with the right personality, attitude and approach to the industry as opposed to specific qualifications or skills. Enterprises rely upon their own training, including induction processes to bring new employees to the required level for the enterprise; this is especially true for low-skilled jobs.

It is presumed by governments and stakeholders that increasing the skills of persons employed in an industry will necessarily lead to more profitable enterprises than are found if a 'low-skill' approach to employment is pursued. However, the connection between high-skill levels and an increased level of profitability has not been demonstrated.

Flexible training

The tourism and hospitality industry is a seven-day-a-week, 24-hour-a-day industry. Such an operation requires that training providers offer flexible delivery options, with skill development opportunities outside the normal business hours. The employment conditions, including high levels of part-time and casual employment, are likely to result in enterprises committing less time and resources to the formal skill development of their workers.

Specific skills or general training

Reflecting the demands of enterprises for specific skills and abilities in their employees, skill-specific tuition appears to be fast becoming the dominant form of formal training. This shift in emphasis tends to conflict with efficiency arguments associated with training for the industry. For example, high labour turnover would suggest that skill development should be focussing on general skills, which are more readily transferred between industries. However, the diversity of

enterprises and occupations in the tourism and hospitality industry means that developing 'standard' skills training suitable for all enterprises and persons employed is a problematic task. Despite small businesses being the dominant form of enterprise in the industry (over 80 per cent of enterprises employ ten or less persons), small businesses are the least likely to have their training needs met by 'standard' or general skills training because:

- they are less able to contribute resources—financial or human—to the development of industry-based skill training plans
- they require a significant diversity of skills for persons they employ

Because of the large number of small businesses in the tourism and hospitality industry, it has been recommended that:

> *... the development of entrepreneurial skills be addressed by training institutions and that these institutions form advisory boards consisting of entrepreneurs willing to devote time to assisting in curriculum development and providing advice to students* (Hutchinson 1997, p.167).

In addition to supporting general skill development, TAFE could subsidise the provision of training and qualification attainment required for entry to specific occupations in the tourism and hospitality workforce, for example cooks.

The findings of this study indicate that enterprises did not have a demand for, or value more highly, trained staff who had completed formal qualifications. As a result, it is important for those who want to provide training for the industry to focus on the development of general skills transferable across enterprises. This training would include communication skills, customer service skills etc.

The skills required to operate a tourism and hospitality enterprise efficiently are highly diverse, and may vary from housekeeping and bar-tending to cooking and business management. Ensuring that the skills needed by enterprises are available requires effective planning by VET policy-makers and practitioners, especially for those skills and abilities which cannot be attained quickly.

Strategies which aim to increase skills acquisition in tourism and hospitality training need to incorporate both long-term and short-term objectives. Three important elements should be considered when determining the type of training provided.

- Training outcomes should be directly transferable from the learning environment to the workplace.
- Where enterprises are able to identify direct needs for training, specific training packages should be developed and taught.
- Courses should be offered in a diverse range of locations. Small-scale localised training is more likely to be supported by enterprises.

A different role for tourism and hospitality training

The high level of casual and part-time employment in the tourism and hospitality industry highlights the industry's role as an accessible 'entry-point' to the workforce for many Australians. Providing resources to develop the skills of those employed in tourism and hospitality enterprises can potentially be an under-utilisation of resources. The extent of part-time and casual employment may support students who undertake education and training in other areas. If formal qualifications or training become a requirement for entry to part-time and casual occupations in the industry, these efforts to develop a highly skilled and highly educated workforce are likely to decline.

Training for equality

In emphasising the role of on-the-job training and informal acquisition of skills in the tourism and hospitality industry, there is an underlying issue of access and equity considerations as they relate to VET. ANTA (1994) stated that training related to employment—especially that provided with public subsidies—should be accessible to all groups of the community including those who might be disadvantaged in their ability to undertake further training and access the workforce. Training valued by enterprises in the tourism and hospitality industry is principally gained informally through on-the-job learning and experience in the workplace. Therefore, to achieve ANTA's equity and access goals related to VET, it would be necessary to increase the levels of employment of equity 'target' groups. However, increasing the levels of formal qualifications and training of equity 'target' groups is unlikely to result in increased access to the tourism and hospitality workforce.

Networking for effective training

It is in the interest of all enterprises to ensure that the level of service provided to clients promotes and enhances people's perception of both the enterprise and the industry.

A number of larger enterprises are developing their own training groups and, in some instances, are establishing independent training colleges. It is the scale of these enterprises, both in numbers to be trained and resources available, that allows this development to occur. For small and medium-sized enterprises, the constraints associated with their size add to the perception that they cannot influence the direction of industry training plans. How should the problem of small businesses being unable to collaborate with other enterprises to provide customised training be addressed?

Overcoming smallness of scale can potentially be addressed by working as a group. However, there may be commercial reasons why businesses do not wish to work together in training and developing staff. For example, 'poaching' staff is common in industries with high labour turnover and casual employment structures. For this reason community or industry-based organisations such as ITABs should act on behalf of small and medium-sized enterprises by facilitating effective provision of training to staff.

STAKEHOLDER PERCEPTIONS:

> *Apart from funding, the main constraint in delivering training is the shortage of in-house training facilities. This is overcome somewhat by using nearby outside venues.*
>
> *There is some communication between hotels, and to some limited extent co-operation between them.*

The following section highlights a number of ways in which enterprises could network to share information and expertise in the development of effective training practices. When enterprises provide training using methods other than on the job, it is essential that they are well-informed of potential products and options. Effective communication is the only means of ensuring that the desired training will provide skills and attributes required by the enterprise.

Implications for training provision

Research for this report identified that the enterprises most able to allocate resources to the planning and provision of skills development were those who could achieve efficient and effective outcomes from the VET market.

The following list is a simple step-by-step guide for those enterprises unable to afford skill development planning, but who want to ensure they gain the greatest benefits possible from the VET market and the training dollars they invest in their staff. These steps are applicable to

enterprises seeking to provide both formal accredited training and informal training for their employees.

Table 2: Effective skill development: Steps to undertake in a demand-driven training market

1. IDENTIFY NEEDS ❖ Identify skills, formal qualifications or licensing requirements intended to be gained from training. ❖ Document skills and attributes of current staff and determine suitability for training, promotion, higher duties etc.
2. DEVELOP A STRATEGY TO FULFIL NEEDS ❖ Determine which training methods and/or providers are best able to fulfil needs. For those with no past experience, other enterprises and the industry ITAB will be valuable resources at this stage. Remember, suppliers of products are often willing to provide training to familiarise staff with their products. ❖ Consider recruiting of employees with skills or qualifications required. Remember that there will be some training required for most new employees. Results from stage one will be useful in finding an appropriate employee.
3. IMPLEMENT THE STRATEGY ❖ Negotiate contract for training provision; ensure skills, formal qualifications or certifications are included. Contracted training providers are obligated to provide the training outlined in the contract. ❖ Inform participants and training providers of expected outcomes.
4. EVALUATE EFFECTIVENESS OF STRATEGY ❖ On completion of training, gain feedback from staff and training providers regarding the effectiveness of training in providing needs. Gaining feedback on the effectiveness of training will ensure objectives are met and will be helpful in developing future training strategies.

It is important that the tourism and hospitality industry views available training as being relevant to its needs. To achieve this, training providers need to emphasise the following aspects of courses:

- ensuring that 'train-the-trainer' programs provide staff with skills required on the job
- improving the effectiveness of distance learning facilities, including self-instruction packages
- decentralising delivery, taking training provision to enterprises and tourism growth regions
- utilising more effectively the facilities available to provide for enterprises requiring flexible delivery

Although not a foolproof or comprehensive guide, these steps outline a basic business planning process, one that is probably undertaken daily in every enterprise. In this instance, these same principles are applied to training. Often participation in training is unplanned and undertaken at irregular intervals; however, if these guidelines are followed, results from training are increasingly likely to reflect their intended outcomes.

Final word

Stakeholders in Australia's tourism and hospitality industry have reacted well to the introduction of demand-oriented training practices. Enterprises have readily accepted private and industry-based training providers as the most effective and efficient providers of skills through informal training.

One aspect of the tourism and hospitality training market which requires further attention is the recognition and supply of formal qualifications. Enterprises have shown little tendency—with the exception of training related to regulatory requirements—to utilise formal qualifications or training. On the whole, the industry utilises informal on-the-job training to provide the skills and competencies considered essential to maintain the standards of output.

The non-traditional characteristics of employment in the industry—casual and part-time positions—suggest that there may be a need better to inform potential students and training providers of industry preferences for training and qualifications. This would ensure that the practice of pre-employment training and qualification attainment, currently not valued by enterprises, would not continue. Resources expended on such training could then be used for more highly valued training.

The tourism and hospitality industry has many interesting characteristics, some of which can be overcome by the introduction of flexible training methods. Importantly also, the industry may provide an insight into how the training market of the future will need to develop if it is to cope with an increasingly service-based economy.

References

Allen Consulting Group 1994, *Establishing an effective training market*, Office for Training and Further Development, Melbourne.

ABS (Australian Bureau of Statistics) 1997, *Employer training expenditure Australia: July to September, 1996*, cat. no. 6353.0, Australian Government Publishing Service, Canberra.

ANTA (Australian National Training Authority) 1994, *Towards a skilled Australia: A national strategy for vocational education and training*, ANTA, Brisbane.

Carmichael, L (chair) 1992, *The Australian vocational certificate training system*, National Board of Employment, Education and Training Employment Skills Formation Council, Canberra.

Department of Industry, Science and Tourism (DIST) 1998, 'Tourism: A ticket to the 21st century', http://www.isr.gov.au/tourism/publications/agenda/ch4.html

Freeland, B 1999, *How supply and demand forces shape VET markets*, National Centre for Vocational Education Research, Adelaide.

Hutchinson, J 1997, *Getting it right for the millenium*, report submitted to Hon. J Moore MP, Minister for Industry, Science and Tourism.

Murphy, C & Douglas, J 1998, *The outlook for jobs*, NCVER, Adelaide.

NCVER (National Centre for Vocational Education Research) 1998, *Accommodation, cafés and restaurants, industry training monograph*, NCVER, Adelaide.

Office of National Tourism 1998, 'Jobs, careers and training in tourism', http://www.disr.gov.au/tourism/FactsandFigures/jobsandcareers.htm

Robinson, C 1998, 'The VET product and development of the training market', in *The market for VET*, eds C Robinson and R Kenyon, NCVER, Adelaide.

Sloan, J & Wooden, M 1994, *Training markets and the effects of market failure on training in Australia*, National Institute of Labour Studies, Adelaide.

WTO (World Tourism Organisation) 1994, *Yearbook of statistics*, WTO, Spain.